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DPS-1564 ✓

20 June 1958

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Approval of Additional Costs to Certain Projects

1. This memorandum contains a recommendation for action by the DCI in paragraph 5.

2. Approximately two months ago I obtained your oral approval of Project [REDACTED] after discussion of this proposal with the DDCI and yourself. I indicated that I would not be able to fund this project completely out of resources already available to me for CHALICE and for other purposes. You therefore authorized a release of [REDACTED] from your Reserve Fund to make possible the financing of this undertaking. It now appears that the total cost of the project will amount to [REDACTED]. In order that funding may be arranged for the cost in excess of [REDACTED] your approval of the project is required.

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3. A total of [REDACTED] was budgeted for Project CHALICE during Fiscal Year 1958. This included no funds for the [REDACTED] and GUSTO studies since it was believed that the former had been adequately financed out of Fiscal Year 1957 funds while the latter had not yet been started. As it has turned out, these studies have absorbed approximately [REDACTED] during the Fiscal Year. Although the majority of this cost has been absorbed within the CHALICE budget, there will be a small excess of obligations over funds budgeted if funds are obligated to cover all commitments made during the period.

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4. The precise amount of the CHALICE overrun cannot be determined with complete accuracy even at this time because it has not been possible to calculate either [REDACTED]

[REDACTED] or (b) the cost of work authorized to be done, no firm estimate of the cost of which has been received. It appears, however, that the overrun will not exceed [REDACTED] and your approval of this increase in the CHALICE budget for Fiscal Year 1958 is requested, subject to the availability of funds.

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5. In order properly to reflect commitments entered into during Fiscal Year 1958, funds should be obligated for the above purposes during this period if they are available. It would be possible, however, to defer certain obligations until Fiscal Year 1959 if they cannot be found at this time. Accordingly, it is recommended that:

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a. The DCI approve Project [REDACTED] in the amount indicated in paragraph 2 above and an increase of up to \$50,000 in the CHALICE budget for Fiscal Year 1958.

b. The Comptroller be authorized to provide additional Fiscal Year 1958 funds up to the total required for these purposes provided this action will not prejudice other high priority requirements.

6. The Office of the Special Assistant for Planning and Development has the responsibility for obtaining the required documentation to support the expenditure of these funds. This Office is also responsible for maintaining appropriate accounting records clearly setting forth the funds received and the expenditure thereof. Such supporting documentation and accounting records will be subject to audit by the Audit Staff of the Agency at the appropriate time.

SIGNED

RICHARD M. BISSELL, JR.
Special Assistant to the Director
for Planning and Development

Recommendations Par. 5.a. and 5.b.
APPROVED:

DPS/DCI-Finance:DNO:vt
Rewritten: SA/PD/DCI:RMB:djm
O&I - Comptroller (After DCI approval)
✓ 1-SA/PD/DCI Chrono
2-Comptroller DPS/DCI

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ALLEN W. DULLES
Director

** to the extent funds are available therefor.*

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